

# Connecticut Heating & Cooling Contractors Association

2842 Main Street #259, Glastonbury, CT 06033 • Phone (860) 533-1163

[www.chcca.net](http://www.chcca.net)

MEMBERS OF: CBIA – NFPA – ICC

Established 1972



## TESTIMONY OF JENNIFER JENNINGS EXECUTIVE DIRECTOR BEFORE THE FINANCE COMMITTEE MARCH 11, 2013

### 2013

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Stratford, CT 06010  
(203) 375-5228

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362 New Haven Avenue  
Milford, CT 06460  
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195 Elizabeth Street  
Derby, CT 06418  
(203) 231-0605

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##### Jeff Leone

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(860) 953-8888

##### Bryan Mackenzie

R & B Refrigeration  
(203) 453-6831

##### Steve Szypulski

The Star Supply Co.  
(203) 772-2240

#### LOBBYIST

Andrew Markowski  
Statehouse Associates, LLC

The Connecticut Heating & Cooling Contractors Association (CHCC) submits the following comments supporting SB-1053, AN ACT CONCERNING EXPANDED ELIGIBILITY FOR APPRENTICESHIP TRAINING TAX CREDITS:

This pro-growth legislation would expand eligibility for the apprenticeship training tax credit to business entities other than corporations, in order to provide additional incentives for job creation. As such, CHCC strongly supports this initiative.

Research shows that the rates of return to apprenticeships far exceed alternative training methods, such as community college or Workforce Investment Act training, for middle-skill jobs. The existing apprenticeship training tax credit is a valuable workforce development tool for licensed HVAC contractors. A report on apprenticeship training estimates that over a lifetime the value of earnings (less the investment in the program) at \$269,000 per apprentice compared to \$96,000-\$123,000 per community college attendee, and about \$40,000 per WIA trainee. Apprenticeship programs can attract more highly qualified applicants because they typically offer competitive entry-level wages for trainees and guarantee employment for a specific period of time. Allowing for apprenticeship tax credits to be claimed by owners of S Corps, LLCs and even sole proprietorships makes economic sense given the prevalence of these business types in our state and in the heating & cooling trades. Many of our small business owners are well positioned to take on apprentices, and both employer and apprentice can reap a great benefit from this extended on-the-job education. At a time when qualified HVAC technicians are in strong demand, particularly for residential and small to mid-sized commercial work, expanding the eligibility of the tax credit to pass through entities will go a long way towards helping these small businesses expand and compete.

In addition, CHCC also urges your support for Section 5 of SB-1055, which would expand the dollar amount of the existing apprenticeship training tax credit, which has not been updated in several years to reflect increasing wages in our trade.

Our trade is currently burdened by regressive state regulations concerning apprenticeship-hiring ratios, which adversely impacts a contractor's ability to hire apprentices, particularly among small to mid-sized HVAC firms. While not curing this long-standing problem, passage of both SB-1053 and Section 5 of SB-1055 would go a long way toward helping many contractors in our industry. Thank you for your consideration of our comments, and we urge passage of both bills.